

14/023/007

NORTH LILY MINING COMPANY**1800 Glenarm Place #210
Denver, Colorado, 80202****(303)-294-0427
(303)-293-2235**

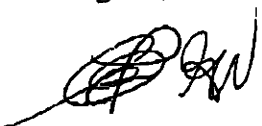
Beginning to send 07 pages (including cover sheet) if transmission is interrupted or of poor quality, please notify us immediately by calling 303-294-0427.

DATE: 29 June 2000**TO: Mary Ann Wright
Assoc. Director****FAX: 801-359-3940****FROM: Gene Webb/Steve Flechner****RE: Reclamation Plan Timetable**

Attached is revised timetable. As discussed, we intend to fund with land sales, if funding not timely available from corporate financing.

Attached for your information are a map identifying our 8,000 acres of Utah property (which include about 400 acres at the Silver City project), and a summary sheet appraising 890 acres at \$864,000 (parcel A), and informally valuing the nearby comparable 800 acres at \$776,000 (parcel B).

Regards,



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nlmcfaxo

**NORTH LILY MINING COMPANY
SILVER CITY, UTAH HEAP LEACH FACILITY
Reclamation/Closure Implementation Plan**

Proposed Reclamation and Closure Schedule for 2000**Revised 6-29-00**

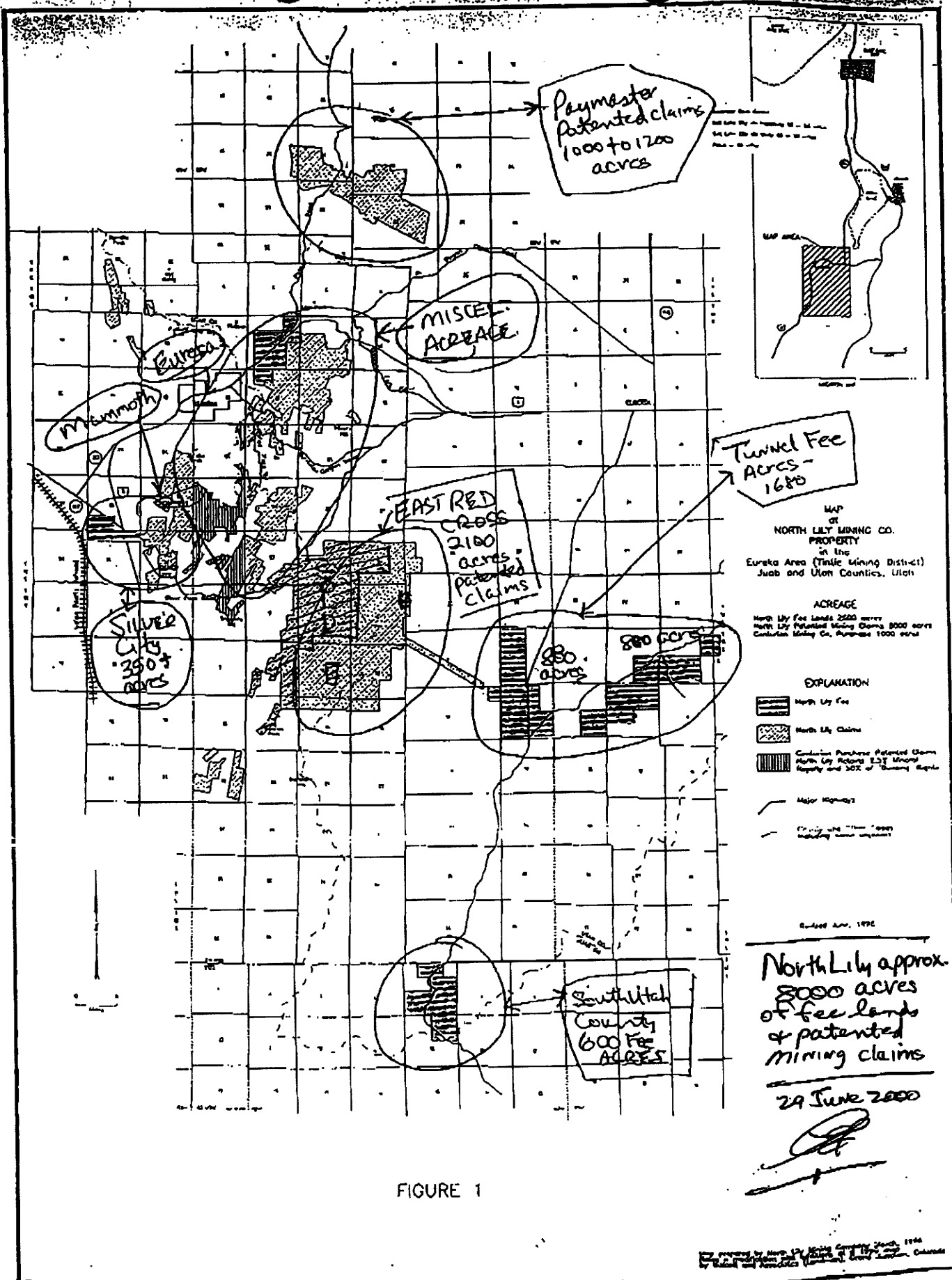
	Component	Start Date	Anticipated Completion Date
1.	Restore Pad Perimeter Solution Collection System	May 8	May 9 (completed)
2.	Design, Build & Start up Enhanced Evaporation Systems	April 12	July 10
	2.1 System Design Schematic	April 12	April 28 (completed)
	2.2 Solution Channel Liner Repairs	Not needed	Not needed
	2.3 Reinstall ADS pipe underdrain in pad solution channel.	July 17	August 11
	2.4 Site Clean-up	May 14	August 11
	2.5 Flow meter and weir or flume *	May 12	July 21
	2.6 Install new pump*	June 15	Completed back-up only
	2.7 Install and Start-up Pad Margin Evap. System	May 12	Abandoned
	2.8 Relocate Evap. Away from margin	May 22	Completed
	2.9 Install Overflow Pond Evap. if needed**	July 10	July 21
	Assessment Review & Schedule Readjustment	May 16	Completed
	2.10 Repair Pregnant Pond Liner	July 5 **	July 21 **
	2.11 Reestablish Pregnant Pond Leak Detection System	July 21 **	July 28 **
	2.12 Construct, Install In-pond Evap. System.	July 17 **	August 5
	2.13 Estimate Post-Closure Draindown	August 14	August 21
3.	Design Post-Closure Fluid Management System		
	3.1 Conceptual Design	April 15	August 18
	3.2 Final Design	August 30	September 22

Proposed Reclamation and Closure Schedule for 2000			Revised 6-29-00
	Component	Start Date	Anticipated Completion Date
4.	Characterize, Identify, and Quantify Stockpile Topsoil & Topsoil Substitute, Finalize Seed Mix	July 17	September 6
	4.1 Nutrient characterization of stockpiled topsoil and estimate stockpile volume	July 17	August 31
	4.2 Determine topsoil thickness requirements	July 17	September 6
	4.3 Identify source of topsoil substitute and perform nutrient characterization	July 17	September 6
	Assessment Review & Schedule Readjustment	June 15	Completed
	4.4 Finalize seed mix	July 17	September 6
5.	Assess Adequacy of Natural Revegetation in Former Land Application Areas (to be done by DOGM)	June 1	July 21
	Assessment Review and Schedule Readjustment	July 13	
6.	Regrade Heap Leach Pad	September 11	September 15
	Assessment Review & Schedule Readjustment Date	August 15	
7.	Apply Topsoil	September 18	October 15
8.	Apply Seed and Soil Amendments	October 15	November 15
9.	Inventory and Dispose of Salvageable, Recyclable, and Unusable Materials		
	9.1 Inventory	July 10	July 30
	9.2 Disposal	July 30	November 30
	On-site Review	December 5 (on or before)	
10.	Construct Post-Closure Fluid Management System	November 1	December 31
11.	Decommission and Reclaim Barren and Overflow Ponds (if not necessary for post-closure fluid management system)	September 30	December 31

* Pending equipment availability.

** Dependent upon results of previous components and/or agency approvals.

All above are dependent upon timely availability of funding.



03/02/2000 10:10

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SHIRK

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fax

Appraisal

To:

Gene + Steve

Company

North Lily

Fax #:

(303) 293-2235

From:

Sharon Shirk

Date:

3-2-2000

Subject:

LETTER

Pages:

(includes cover)

2

NOTES:

ACTUAL ACREAGE Adds up to
890.44 ACRES
PARCEL #A

ACTUAL ESTIMATED VALUE FOR
ALL PARCELS Adds up to
\$ 864,000 (PARCEL #A)
for the 890 acre parcel A

864
776
1640

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Sharon D. Shirk

Master Residential Appraiser, NAMA

P.O. Box 1427 • Provo, UT 84603-1427 • 801.225.4696 voice • 801.225.7652 fax

February 28, 2000

North Lily Mining Company
 1800 Glenarm Place, Ste. 210
 Denver, CO 80202

Gentlemen:

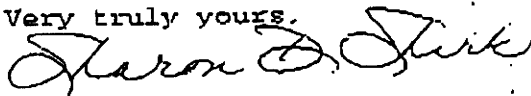
Appraisals on the following Utah County, UT properties have been shipped to you via Federal Express with delivery on Tuesday, February 29, 2000:

		est mkt value
Parcel 1	50.83 acres	\$ 50,500
Parcel 2	50.83 acres	50,500
Parcel 3	50.83 acres	50,500
Parcel 4	50.83 acres	50,500
Parcel 5	50.83 acres	50,500
Parcel 6	50.83 acres	50,500
Parcel 7	50.83 acres	51,000
Parcel 8	50.83 acres	51,000
Parcel 9	60.25 acres	60,000
Parcel 10	60.24 acres	60,000
Parcel 11	66.84 acres	66,000
Parcel 12	66.84 acres	66,000
Parcel 13	76.96 acres	69,000
Parcel 14	76.96 acres	69,000
Parcel 15	75.71 acres	69,000
		PARCELA
		\$864,000
		TOTAL

Parcels 1-2-3-4-5-6 are located in Section 1, T11S, R2W, Utah County, Utah. Parcel 7 is located in Sections 1 & 12, T11S, R2W, Utah County, Utah. Parcels 8-9-10-11-12-13-14-15 are located in Section 12, T11S, R2W, Utah County Utah.

You have advised that you may survey (into 50+acres parcels) your vacant Utah County, Utah land located in Sections 4-5-7-8, T11S, R1W, containing 800 acres in close proximity to the parcels listed above. In such event, it would appear that the vacant land in these sections would have similar value. However, this is not an appraisal.

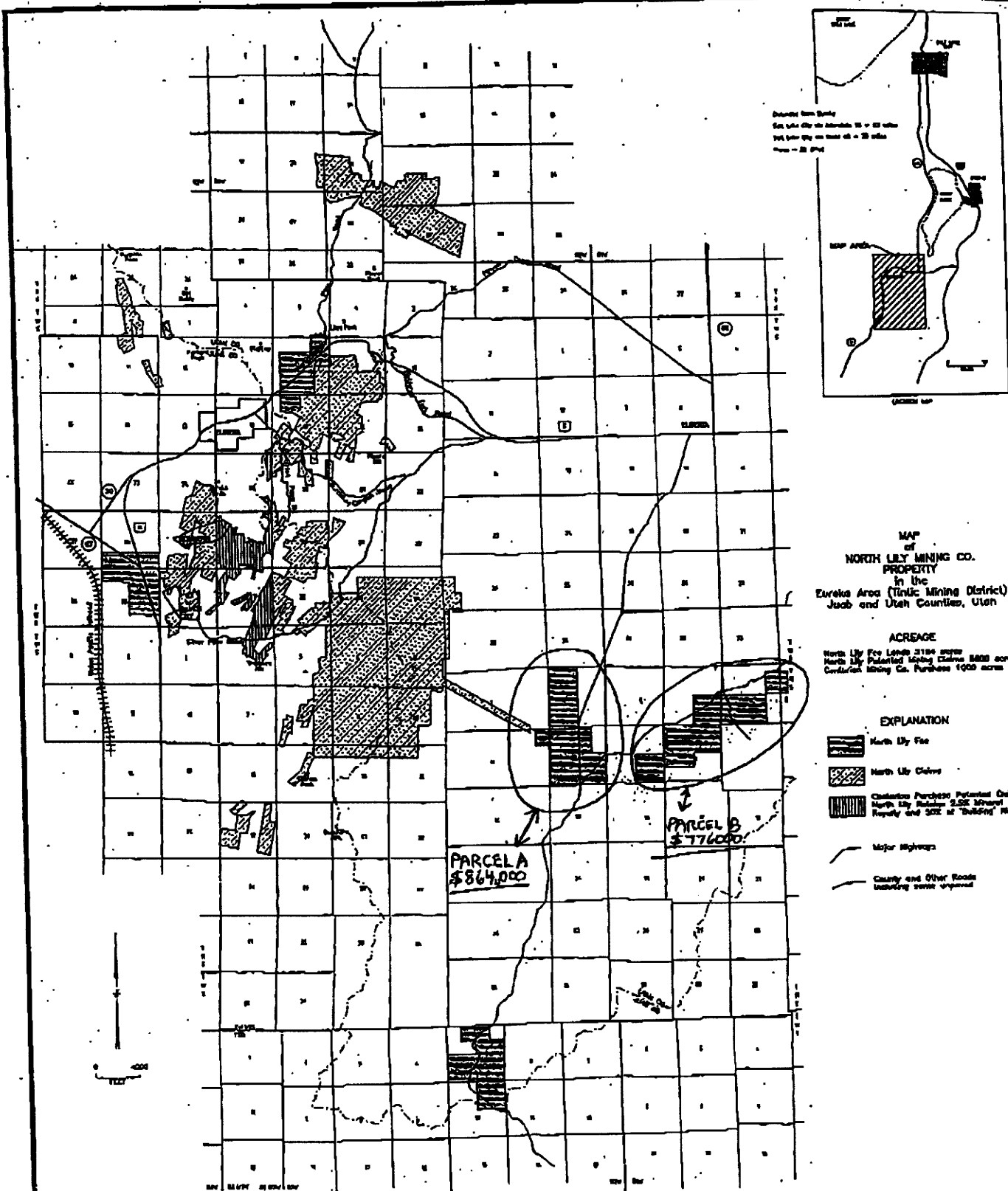
Very truly yours,



Sharon D. Shirk, MRA

PARCEL
B
\$776,000

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